

FUND 090

PUBLIC SCHOOL OPERATING

Board of Supervisors' Adjustments

The following funding adjustments reflect all changes to the FY 2002 Advertised Budget Plan, as approved by the Board of Supervisors on April 30, 2001:

- The Board of Supervisors, increased the General Fund transfer to the School Operating Fund by \$16,483,038. The FY 2002 General Fund transfer for school operations totals \$1,078,090,014, an increase of \$90,089,106, or 9.1 percent, over the *FY 2001 Revised Budget Plan* transfer of \$988,000,908. Final action on the Fairfax County School Board's FY 2002 Approved Budget was taken on May 24, 2001 and will be incorporated in the FY 2001 Carryover Review.

The following funding adjustments reflect all approved changes to the FY 2001 Revised Budget Plan from January 1, 2001 through April 23, 2001. Included are all adjustments made as part of the FY 2001 Third Quarter Review:

- The Board of Supervisors made no adjustments to this fund.
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County Executive Proposed FY 2002 Advertised Budget Plan

Purpose

Expenditures required to operate, maintain, and support the instructional program of Fairfax County Public Schools are recorded in the Public School Operating Fund. These expenditures include the costs for salaries and related employee benefits, materials, equipment, and services to continue current programs as well as costs for projected changes in membership and inflation. Revenue to support these expenditures is provided by a transfer from the County General Fund, State, and Federal aid, tuition payments from the City of Fairfax, and other fees and transfers.

It should be noted that the following fund statement reflects the FY 2002 Fairfax County School Board's Advertised Budget. Adjustments to this fund, adopted by the Fairfax County School Board on February 6, 2001, will be discussed in the Overview Volume of the FY 2002 Advertised Budget Plan. However, all financial schedules included in the FY 2002 Advertised Budget Plan have been adjusted to reflect the funding level commensurate to a 7.45 percent increase in the General Fund transfer to Fairfax Public Schools. This is consistent with the Board of Supervisors' guidelines, which holds the rate of increase in the School Operating Fund transfer to the projected increase in County General Fund revenue. The proposed County General Fund transfer for school operations in FY 2002 totals \$1,061,606,976, an increase of \$73,606,068, or 7.45 percent, over the *FY 2001 Revised Budget Plan* transfer of \$988,000,908. Of this amount, \$1,621,364 represents the sixth year of a ten-year program to eliminate the County's outstanding unfunded teachers' liability.

Teachers' salaries are paid by contract over a twelve-month period ending in August. Consequently, in order to reflect the total teachers' salaries in the year that services are rendered, an accrual is made at the end of the fiscal year for the payroll liability arising from those teachers' salaries to be paid in the first two months of the succeeding year. Therefore, expenditures for July and August are recorded in the fiscal year in which they are earned and budgeted. However, prior to FY 1984, salaries for the month of July and August were paid and recorded in the next fiscal year. The result is an unfunded liability.

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In FY 1984, the County began a program to eliminate the unpaid liability for educational employees' salaries and benefits over a ten-year period, which was to begin in FY 1984 and to continue through FY 1994. However, due to the 1990 recession, FY 1990 was the seventh and last year that the teachers' unfunded liability payment was funded. At that time the County's remaining outstanding liability was \$16,213,640. In FY 1997, the County resumed funding the teachers' liability payment with a new ten-year plan with scheduled payments of \$1,621,364 per year. The scheduled FY 2002 payment will be the sixth year of the School Board's Advertised new ten-year plan, and will reduce the outstanding liability balance to \$6,485,456.

It should be noted that the Fairfax County School Board's Advertised Budget reflects a General Fund transfer of \$1,094,705,006, an increase of \$106,704,098, or 10.80 percent, over the FY 2001 transfer level. In order to fully fund the \$33.1 million increase above the budget guidelines, additional resources would need to be considered by the Board of Supervisors.

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FUND STATEMENT

Fund Type G10, Special Revenue Funds

	FY 2000 Actual ¹	FY 2001 Adopted Budget Plan	FY 2001 Revised Budget Plan ²	FY 2002 School Board's Advertised ³	FY 2002 Adopted Budget Plan
Beginning Balance	\$88,407,394	\$7,000,000	\$56,768,845	\$10,000,000	\$10,000,000
Revenue:					
Sales Tax	\$98,937,749	\$99,839,880	\$104,417,513	\$112,718,800	\$111,882,889
State Aid	191,825,213	207,751,576	213,560,820	215,846,165	213,331,089
Federal Aid	20,470,473	20,705,742	29,128,070	23,277,574	23,277,574
City of Fairfax Tuition	22,396,803	23,814,453	23,903,048	25,800,000	25,800,000
Tuition, Fees, and Other	8,996,826	7,812,283	9,976,332	7,812,283	7,812,283
Total Revenue	\$342,627,064	\$359,923,934	\$380,985,783	\$385,454,822	\$382,103,835
Transfers In:					
County General Fund (001)	\$897,412,605	\$985,231,488	\$988,000,908	\$1,094,705,006	\$1,078,090,014
School Food Services (191)	0	1,973,000	0	0	0
Total Transfers In	\$897,412,605	\$987,204,488	\$988,000,908	\$1,094,705,006	\$1,078,090,014
Total Available	\$1,328,447,063	\$1,354,128,422	\$1,425,755,536	\$1,490,159,828	\$1,470,193,849
Total Expenditures	\$1,250,278,726	\$1,333,220,241	\$1,403,390,987	\$1,463,612,420	\$1,443,646,441
Transfers Out:					
School Construction Fund (390)	\$7,323,826	\$10,059,665	\$9,179,856	\$14,106,550	\$14,106,550
School Grants & Self-Supporting Fund (192)	9,131,171	8,792,327	8,413,428	11,071,821	11,071,821
School Adult & Community Education Fund (193)	1,012,897	1,080,159	3,683,218	1,100,131	1,100,131
School Debt Service Fund (201)	3,710,000	750,000	833,926	0	0
School Health & Flexible Benefits Fund (591)	221,598	226,030	254,121	268,906	268,906
Total Transfers Out	\$21,399,492	\$20,908,181	\$22,364,549	\$26,547,408	\$26,547,408
Total Disbursements	\$1,271,678,218	\$1,354,128,422	\$1,425,755,536	\$1,490,159,828	\$1,470,193,849
Ending Balance	\$56,768,845	\$0	\$0	\$0	\$0

¹ FY 2000 Actuals reflect audit adjustments included in the FY 2000 Comprehensive Annual Financial Report (CAFR). The FY 2000 Audit Package detailing all of these changes were included in the FY 2001 Third Quarter Review.

² The *FY 2001 Revised Budget Plan* column reflects adjustments adopted by the Fairfax County Public School Board on March 22, 2001, during their FY 2001 Third Quarter Review. The Fairfax County School Board adjustments were officially reflected in the County's FY 2001 Third Quarter Review, and approved by the Board of Supervisors on April 23, 2001.

³ Assumes an additional \$10.0 million FY 2001 ending balance to be carried over to balance the FY 2002 budget.